OSD

Organization & Staff Development

consulting and training that make a difference

www.gov.mb.ca/csc/osd

2002 Annual Report

Organization & Staff Development
Manitoba Civil Service Commission

consulting & training that make a difference

Minister responsible
for The Civil Service Act

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour
The Honourable Peter M. Liba, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour

I am pleased to present the Eighth Annual Report of the Organization & Staff Development Agency for the fiscal year ended March 31, 2002.

Respectfully submitted,

Greg Selinger
Minister Responsible for the Organization
& Staff Development Agency
Civil Service Commission

102-06786/

Manitoba

Office of the Commissioner
Civil Service Commission

935 – 155 Carlton Street
Winnipeg MB R3C 3H8
Fax: (204) 945-1486

Honourable Greg Selinger
Minister Responsible for the Organization
& Staff Development Agency
Civil Service Commission
103 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Selinger

I am pleased to submit, for your consideration, the 2002 Annual Report of Organization & Staff Development (OSD) as a Special Operating Agency.

The report covers the period April 1, 2001 to March 31, 2002. During this period, OSD fulfilled its obligations as a self-sustaining operation, achieved its program objectives and exceeded its financial targets.

Respectfully submitted,

Shirley L. Strutt, Q.C.
Civil Service Commissioner
Chair of the Organization
& Staff Development Agency
Advisory Board

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Agency Board Members

Chair

Shirley L. Strutt, Q.C.
Commissioner
Manitoba Civil Service Commission

Members

Thomas J. Farrell
Deputy Minister
Manitoba Labour and Immigration

Bruce A. MacFarlane, Q.C.
Deputy Minister of Justice
and Deputy Attorney General
Justice

Gisela Rempel
Assistant Deputy Minister
Employment and Income Assistance Divisio
Manitoba Family Services and Housing

Jim Robson
Vice President
Application Delivery
Great-West Life Assurance

Dr. Ben Levin
Deputy Minister
Education, Training & Youth
DM Advanced Education

Marcia Thomson
Executive Director
Health Programs
Health

Rose Bear
Human Resource Consultant
Human Resources Services
Justice

Guy Gordon
A/Assistant Deputy Minister
Service Manitoba
Manitoba Civil Service Commission

Jackie Desrochers
Manager, Training Services
Organization & Staff Development
Manitoba Civil Service Commission

Agency Management

Herb Robertson
Chief Operating Officer/Director
Organization & Staff Development
Manitoba Civil Service Commission

Profile

In 1970, the Manitoba Civil Service Commission created a branch to provide training workshops and advisory services that supported what the government wanted to achieve in the area of people and organization development.

In 1994, Organization & Staff Development (OSD) became the third Special Operating Agency of the Manitoba Government. The Special Operating Agency framework emphasizes accountability and end results. This emphasis is consistent with the OSD tradition of putting the service user first and always striving to make a difference.

Purpose

Organization & Staff Development (OSD) is a program area of the Civil Service Commission. The agency provides consulting and training services. These services:

1. support implementation of government human resource policies and priorities, and
2. assist employees and their managers to solve organization problems, to improve service effectiveness, and to help realize the human potential that exists with organizations.

OSD services are available to central government, to individual departments and to other organizations outside the Manitoba Civil Service.

Commitment

OSD is committed to representing three principles in whatever the agency does.

1. The needs of those who use our service are our concern.

   This means we act with the courage necessary to understand our service users and to provide them with real help for real problems.

2. We treat others as friends, no differently than we treat ourselves.

   This means we strive to make every contact an experience that benefits our service users, makes them better off for knowing us and leaves them a little wiser.

3. Our work is important work.

   This means we serve to the best of our ability. We respect the privilege of helping Manitobans and those who represent them.

Director's Comment

OSD fulfilled its Business Plan commitments in 2001/02 by achieving its two goals, completing its four objectives and meeting or exceeding all nine of its performance targets.

OSD exceeded its 2001/02 target for net retained earnings. This accomplishment can be attributed to six factors: prudent expenditure practices, aggressive marketing, the securing of preferred vendor rates, service user loyalty, the good reputation of the agency and, mostly, the extraordinary effort of staff.

Revenue from departmental service users was up 43% over 2000/01. Revenue from service users outside government was down 9%

The number of projects undertaken by OSD (506) was the second highest total in eight years as a Special Operating Agency. The number of participants in OSD Training and Consulting events (9426) was the highest total ever.

Again, and most gratifying, OSD experienced high levels of service user satisfaction. Service users consistently rated as more than satisfactory the agency programs and delivery, as measured by both workshop participant evaluations and by follow-up calls to consulting clients.

The significant financial success in 2001/02 (net retained earnings of $122.0) has resulted in OSD meeting its accumulative retained earnings target of $310.0. This amount of accumulative retained earnings was deemed essential by the agency's Advisory Board as protection against a downturn in demand and as required to cover anticipated costs associated with staff turnover.

OSD is proud of, but not content with, the success it has achieved since becoming a Special Operating Agency in 1994. The agency believes, as stated last year and repeated now, that much organization and staff development work needs to be done in support of government efforts to strengthen the civil service. The agency believes that it has a contributed to those efforts. The agency continues to look for additional ways it can make that contribution and still operate in a self-sustaining manner.

Progress towards Goals and Objectives

The two goals for 2001/02 were 1) the implementation of refined targeted marketing practices and b) the implementation of staff accountability statements useful in planning job and career development.

The four objectives for 2001/02 were:

1. To assign all administrative staff some responsibility for point-of-contact service promotion by June 2001.

   Complete. Responsibilities of two staff members were adjusted with each becoming Training Administrators and assuming more duties of the Manager, Training Services and the Coordinator of Training, allowing the latter positions to concentrate more on promoting the agency.

2. To implement a means of monitoring and making visible the results of the point-of-contact service promotion by July 2001.

   Complete. Charts now are produced which indicate success of point-of-contact service promotion efforts.

3. To have staff write accountability statements that can serve as the basis for current job and career planning development decisions by September 2001.

   Complete

4. To implement a feedback system on staff performance and development, using the accountability statements, by January 2002.

   Complete. The system was designed but implementation has been postponed pending some decisions on organization restructuring.

Performance Framework

Part 1 - Training and Projects

Table 1 - Training (general training as scheduled in the OSD *Guide* to training & consulting services)

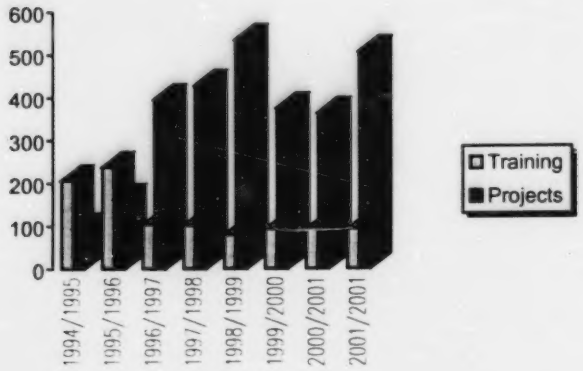
	Workshops	Participants	Average	Rural Workshops	Vendors Used	%
2001/02	94	1406	15	0	84	90%
2000/01	94	1322	14	5	91	97%
1999/00	93	1197	12.9	4	84	90%
1998/99	80	1086	13.6	3	52	94%
1997/98	102	1377	13.5	15	72	71%
1996/97	104	1261	12	7	73	70%
1995/96	238	3434	14	40	127	53%
1994/95	207	4613	22	60	102	49%

Table 2 - Projects

Projects are consulting, training or administrative services provided to a specific service user and their organization. In a few instances, it could also include offerings of general classroom training in addition to those scheduled in the *Guide*.

	Number	Participants	Vendors Used	Vendor %
2001/02	506	8020	355	70%
2000/01	363	5372	234	64%
1999/00	374	5736	272	73%
1998/99	534	7976	416	78%
1997/98	428	6527	304	71%
1996/97	395	5528	300	76%
1995/96	163	3045	89	55%
1994/95	95	2222	45	47%

Training and Projects Chart



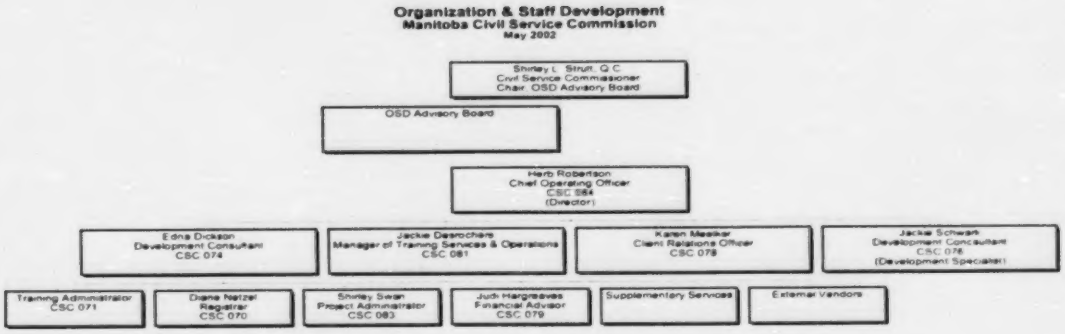
Part 2 - Performance Targets

OSD is meeting/exceeding or is on target to meet/exceed its performance targets.

Type of Measurement	Input	Activity	Output	Outcome
	Demand for Service	Number of Activities Undertaken	Clients Satisfied	Commitments Met/ Client Acceptance
Measure	new consulting service users	# of corporate workshops & projects	workshop feedback	workshop refunds
Target	30% of previous year	70	more than a 3.5 rating*	less than 1%
Measure	repeat consulting service users	# of departmental/ public sector workshops & projects	# of objectives completed	consulting project refunds
Target	30% of previous year	220	4 completed	less than 1%
Measure				net retained earnings
Target				$14.2

* Average response by participants (per workshop) to the evaluation form question, "Your Overall Reaction to This Workshop."

Reporting Relationships



ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2002

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority

Financial Statements

For the year ended March 31, 2002

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Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of the management of Organization & Staff Development (OSD) and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available to June 17, 2002.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The responsibility of the Auditor General is to express an independent opinion on whether the financial statements of OSD are fairly represented in accordance with Canadian generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

Herb Robertson, Director
Organization & Staff Development
June 17, 2002

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba

We have audited the balance sheet of Organization and Staff Development, an Agency of The Special Operating Agencies Financing Authority, as at March 31, 2002 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2002 and results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
June 17, 2002

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority
Balance Sheet

March 31	2002	2001
		(000's)
Assets		
Current Assets		
Cash and bank (Note 3)	$ 111	$ 84
Short-term investments	222	317
Accounts receivable	175	203
Inventories	31	3
	539	607
Severance receivable (Note 5)	39	39
Capital assets (Note 6)	10	13
	$ 588	$ 659
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 155	$ 245
Accounts payable - Province of Manitoba (Note 4)	-	107
	155	352
Severance liability (Note 5)	51	47
	206	399
Equity		
Retained earnings	382	260
	$ 588	$ 659

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority
Statement of Operations and Retained Earnings

For the year ended March 31

(000's)

	2002 Actual	2001 Actual	Variance	Budget	Variance
Revenue					
Training and consulting	$ 1,308	$ 1,190	$ 118	$ 1,112	$ 196
Interest	10	17	(7)	6	4
	1,318	1,207	111	1,118	200
Expenses					
Professional fees	418	421	(3)	441	(23)
Salaries and benefits	355	316	39	356	(1)
Books and course materials	110	126	(16)	30	80
Food and beverages	71	27	44	27	44
Departmental support services	41	68	(27)	70	(29)
Accommodations	40	34	6	30	10
Office supplies	32	13	19	8	24
Desk top management	30	30	-	24	6
Marketing	24	16	8	11	13
Communications	16	14	2	17	(1)
Rentals	16	8	8	27	(11)
Occupancy costs	15	17	(2)	18	(3)
Transportation	12	32	(20)	28	(16)
Professional development	9	6	3	10	(1)
Other	4	1	3	4	-
Amortization	3	3	-	3	-
	1,196	1,132	64	1,104	92
Net income for the year	122	75	47	14	108
Retained earnings, beginning of year	260	185			
Retained earnings, end of year	$ 382	$ 260			

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31	2002	2001
		(000's)
Cash Flows from Operating Activities		
Net income for the year	$ 122	$ 75
Items not involving cash		
Amortization of capital assets	3	3
Pension and severance expense	-	6
	125	84
Net change in non-cash working capital balances	(193)	(48)
	(68)	36
Cash Flows from Investing Activities		
Purchase of capital assets	-	(4)
Transfer to pension fund	-	(36)
Transfer pension fund to short-term investments	-	133
	-	93
Increase (decrease) in cash and equivalents during the year	(68)	129
Cash and cash equivalents, beginning of year	401	272
Cash and cash equivalents, end of year	$ 333	$ 401
Represented by		
Cash and bank	$ 111	$ 84
Short-term investments	222	317
	$ 333	$ 401

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority
Notes to Financial Statements

March 31, 2002 **(000's)**

1. Nature of Organization

Effective April 1, 1994, Organization and Staff Development (OSD) of the Civil Service Commission was designated by regulation as a Special Operating Agency under The Special Operating Agencies Financing Authority Act and operates under a charter approved by the Lieutenant Governor in Council. Its mandate is to provide consulting and training services to support the implementation of the government's human resource policies and priorities.

The Agency is financed through the Special Operating Agencies Financing Authority. The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister responsible for the Civil Service Commission assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

OSD continues to be part of the Civil Service Commission under the general direction of the Commissioner and ultimately the policy direction of the Minister responsible for The Civil Service Act.

OSD remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

OSD is economically dependant on the Province of Manitoba. Currently, the Agency derives most of its revenue from the Province and all of its capital financing requirements through the Financing Authority.

2. Significant Accounting Policies

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

2. Significant Accounting Policies (continued)

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital Assets

Rates of amortization applied to write off the cost of capital assets over their estimated life are as follows:

Furniture and office equipment	20% straight line
Computer equipment	20% straight line

One half year's amortization is applied to computer equipment in the year of acquisition.

3. Working Capital

The Agency has an authorized line of working capital advances of $120 which was unused and available at March 31, 2002.

4. Pension Liability

Employees of the Agency are eligible for pension benefits in accordance with the provisions of The Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, Organization and Staff Development transferred to the Province the pension liability for its employees, subject to the following conditions:

During the 2002 fiscal year, in accordance with the terms of the agreement, the Agency transferred to the Province funds equal to the net assets required to discharge its pension obligation as at March 31, 2001. Commencing April 1, 2001, Organization and Staff Development is also required to pay to the Province an amount equal to its employees' current pension contributions.

Hence, as at March 31, 2002, Organization and Staff Development has discharged its pension obligations and has no outstanding liability.

March 31, 2002 (000's)

5. Severance Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 1, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $33 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for Organization and Staff Development, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance liability as at March 31, 2000 was completed in 2001. The liability as at March 31, 2000 was restated to $42 and the receivable from the Province was restated to $39. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $51 as at March 31, 2002.

6. Capital Assets

	2002			2001		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture & fixtures	$ 10	$ 7	$ 3	$ 10	$ 6	$ 4
Computers	12	5	7	12	3	9
	$ 22	$ 12	$ 10	$ 22	$ 9	$ 13

7. Public Sector Compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2002, the following employees received compensation of $50,000 or more.

	2002	2001
J. Desrochers	$ 56	$ 54
E. Dickson	56	54
H. Robertson	83	71

8. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The Agency enters into transactions with these entities in the normal course of business.

9. Comparative Figures

Comparative figures for the year ended March 31, 2001 have been restated to conform with the presentation adopted for the current year.